



## State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

April 11, 1989

CERTIFIED RETURN RECEIPT REQUESTED  
P879 596 541Mr. Allen Childs  
Genwal Coal Company  
P. O. Box 1201  
Huntington, Utah 84528*Allen*  
Dear Mr. Childs:Re: Permit Renewal Review, Crandall Canyon Mine, ACT/015/032, Folder  
#2 & #4, Emery County, Utah

As part of the ongoing five-year permit renewal review, Genwal Coal Company (Genwal) submitted revised reclamation contour drawings and cross sections, mass balance calculations and a reclamation cost estimate on March 3, 1989.

After review, the Division has determined that these revised plans are not acceptable. Problems include the fact that the post-mining land use has been changed without approval from the Division or the Forest Service, the plan does not meet the Forest Service's requirements for reduction of the road profile, the plan does not meet approximate original contour requirements, and reclamation drainage designs are not acceptable.

Some of the problems could no doubt be worked out with better contour maps, and coordination between Genwal, the Division, and the Forest Service. However, this process would likely take several months. The permit for the Crandall Canyon Mine expired May 13, 1988 and the Division feels it is imperative at this time that a new permit be issued as soon as possible. All issues except for the final grading plan and bond requirement have been resolved.

811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, 3, and 4.

Add your address in the "RETURN TO" space on reverse.

## (CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).

- ☒ Show to whom and date delivered ..... ☐
- ☐ Show to whom, date, and address of delivery.. ☐

2. ☐ RESTRICTED DELIVERY

(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$

3. ARTICLE ADDRESSED TO:

MR. ALLEN CHILDS

P. O. BOX 1201

HUNTINGTON, UTAH 84528

4. TYPE OF SERVICE:

- ☐ REGISTERED ☐ INSURED
- ☒ CERTIFIED ☐ COD
- ☐ EXPRESS MAIL

ARTICLE NUMBER

P 879 596 541

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE ☐ Addressee ☒ Authorized agent

5. DATE OF DELIVERY

POSTMARK

6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:

7a. EMPLOYEE'S INITIALS

ACT/015/032

22

P 879 596 541

## RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to

MR. ALLEN CHILDS

Street and No.

P. O. BOX 1201

P.O., State and ZIP Code

HUNTINGTON, UTAH 84528

Postage

\$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt showing  
to whom and Date DeliveredReturn Receipt showing to whom,  
Date, and Address of Delivery

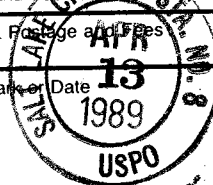
TOTAL Postage and Fees

\$

Postmark or Date

PS Form 3800, June 1985

ACT/015/032 C1



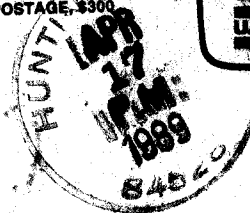
**UNITED STATES POSTAL SERVICE**  
OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE  
USE TO AVOID PAYMENT  
OF POSTAGE, \$300



**RETURN  
TO**



STATE OF (Sender)  
**NATURAL RESOURCES**  
**OIL, GAS, & MINING**  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UTAH 84180-1203

City, State, and ZIP Code

**STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE.  
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)**

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

U.S.G.P.O. 1987-197-722

Page 2  
Permit Renewal Review  
Crandall Canyon Mine  
ACT/015/032

Therefore, to expedite the permit renewal process, the Division has taken the following course of action: a bond estimate was made using the approved reclamation plan, the Forest Service's requirements for final reclamation, and balancing the material from road profile reduction with filling the highwall to approximate original contour. Total bond required is estimated at \$268,000 (1992 dollars). A copy of the complete bond estimate is attached. Major differences between this and the current bonding calculations are the amount of material to be moved and costs for the reclaimed channels.

To finalize the permit renewal process, Genwal will be required to post this bond amount by May 15, 1989. Also attached are the bonding forms which will need to be filled out and submitted.

Once the bond is in place and the new permit issued, Division personnel will be glad to work with Genwal and the Forest Service in approving a revised reclamation plan. The amount of bond may then be able to be reduced. As you discussed with Susan Linner on the phone, we would be glad to meet with you next week to further discuss the bonding requirements, or how the bond estimate was done.

Please contact me or Susan Linner to set up a specific meeting time.

Sincerely,



Lowell P. Braxton  
Administrator  
Mineral Resource Development  
and Reclamation Program

cl  
Attachments  
cc: S. Linner  
J. Leatherwood  
R. Harden  
BT45/209-210

BONDING COST ESTIMATE - 2/87 - JEH REVISED 4/89 - JEH

ITEM	JOB	MATERIAL	EQUIPMENT	ACRES	QUANTITY	UNITS	PROD.	UNITS	COST /UNIT	TOTAL COST
<b>I. DEMOLITION AND REMOVAL</b>										
<b>1 OFFICE DEMOLITION:</b>										
	FOUNDATIONS	CONC			532	FT2		1	\$3.44 /FT2	\$1,830.08
	STRUCTURE	MIX			10640	FT3		1	\$0.18 /FT3	\$70.93
<b>2 BATHOUSE DEMOLITION:</b>										
	FOUNDATIONS	CONC			1044	FT2		1	\$3.44 /FT2	\$3,591.36
	STRUCTURE	MIX			20890	FT3		1	\$0.18 /FT3	\$139.20
<b>3 GENERATOR/FUEL STORAGE:</b>										
	FOUNDATIONS	CONC			500	FT2		1	\$3.44 /FT2	\$1,720.00
	STRUCTURE	MIX			1500	FT3		1	\$0.18 /FT3	\$10.00
<b>4 CONTROL BUILDING:</b>										
	FOUNDATIONS	CONC			96	FT2		1	\$3.44 /FT2	\$330.24
	STRUCTURE	MIX			960	FT3		1	\$0.18 /FT3	\$6.40
<b>5 SUBSTATION:</b>										
	STRUCTURE	STEEL			9000	FT3		1	\$0.18 /FT3	\$60.00
	CHAIN LINE FENCE				120	FT		1	\$1.31 /FT	\$157.20
<b>6 WATER TANK:</b>										
	STEEL TANK (10,000 GAL)	STEEL			1330	FT3		1	\$0.18 /FT3	\$8.87
	FOUNDATION	CONC			225	FT2		1	\$3.44 /FT2	\$774.00
<b>7 EXPLOSIVES MAGAZINES:</b>										
		CONC			320	YD3		1	\$5.94 /FT3	\$1,900.80
<b>8 PORTALS: (4TH PORTAL/BATHOUSE ENTRANCE)</b>										
					4	EACH		1	\$2,700.00 /EA	\$10,800.00
<b>9 CULVERTS 42" CMP (UD-1):</b>										
					295	FT		1	\$1.75 /FT	\$516.25
<b>10 CULVERTS 24" CMP (C-2,C-3,C-4):</b>										
					195	FT		1	\$1.54 /FT	\$300.30
<b>11 CULVERTS 18" CMP (C-1,UD-3):</b>										
					495	FT		1	\$1.54 /FT	\$762.30
<b>12 CULVERTS 12" CMP (C-5, SED POND DECANT):</b>										
					140	FT		1	\$1.54 /FT	\$215.60
<b>13 VENTILATION FAN:</b>										
	FOUNDATIONS	CONC			600	FT2		1	\$3.44 /FT2	\$2,064.00
	STRUCTURE	MIX			10000	FT3		1	\$0.18 /FT3	\$66.67
<b>14 GUARD RAIL REMOVAL:</b>										
					150	FT		1	\$4.78 /FT	\$717.00
<b>15 SURFACE CONVEYOR STRUCTURE:</b>										
					1200	FT3		1	\$0.18 /FT3	\$8.00
<b>16 SEDIMENT TRAP REMOVAL:</b>										
					1	LS		1	\$200.00 /LS	\$200.00
<b>17 SEDIMENT POND RISER:</b>										
					1	LS		1	\$175.00 /LS	\$175.00
<b>TOTAL FOR DEMOLITION AND REMOVAL -</b>										<b>\$26,424.20</b>

PAGE 2.

ITEM	JOB	MATERIAL	EQUIPMENT	ACRES	QUANTITY	UNITS	PRCD.	UNITS	COST /UNIT	TOTAL COST
II. EARTHWORK (#)										
CUT AND FILL					18389	YD3				
CUT:					9444	YD3		1	\$4.55 /YD3	\$42,972.22
HALF LOADER, HALF DOZER		LOADER			9444	YD3		1	\$2.25 /YD3	\$21,250.00
		DOZER			9444	YD3				
FILL:					19037	YD3		1	\$1.16 /YD3	\$22,082.96
		DOZER								
SEDIMENT POND REGRADING					2310	YD3		1	\$2.25 /YD3	\$5,197.50
		DOZER								

SUBTOTAL FOR EASTWORK -

\$31,502.69

### III. TOPSOIL DISTRIBUTION

1	LOADING AND HAULING	5YD LOADER/TRUCKS	7310 YB3	1	\$3.16 /YB3	\$23,099.60	
2	SPEADING	DOZER	7310 YB3	1	\$1.16 /YB3	\$6,479.60	
3	SCARIFICATION	TRACTOR	5.15	5.15 ACRES	0.3 AC/HR	\$52.50 /HR	\$991.23

SUBTOTAL TOPSOIL DISTRIBUTION -

\$32,430.43

#### IV. REVEGETATION

1 SOIL TESTING		10 SAMPLES	1	\$100.00 /SAMPLE	\$1,000.00
2 FERTILIZER	6	6 ACRES	0.005 AC/LB	\$0.35 /LB	\$420.00
3 SEED MIX	6	6 ACRES	1	\$550.00 /ACRE	\$3,300.00
4 HAY MULCH	3	3 ACRES	0.67 AC/TON	\$140.00 /TON	\$630.00
5 HYDRO MULCH	3	3 ACRES	1.00 AC/TON	\$225.00 /TON	\$675.00
6 NETTING (LABOR INCL)	2	2 ACRES	1	\$1,050.00 /ACRE	\$2,100.00
7 STEM PLANTINGS (LABOR INCL)	0.8	0.8 ACRES	610.00 STEMS/AC	\$1.50 /STEM	\$732.00
8 DRILL SEEDING	3	3 ACRES	0.5 AC/HR	\$550.00 /HR	\$3,300.00
9 CRIMPING	3	3 ACRES	0.5 AC/HR	\$52.50 /HR	\$314.99
10 HYDRO SEEDING	3	3 ACRES	0.5 AC/HR	\$84.50 /HR	\$507.00
11 RE-PLANTING(20% OF ABOVE)					\$2,595.80

SUBTOTAL REVEGETATION -

\$15,574.79

PAGE 3.

ITEM	JOB	MATERIAL	EQUIPMENT	ACRES	QUANTITY	UNITS	PROD.	UNITS	COST /UNIT	TOTAL COST
-----										
VI. DRAINAGE RESTORATION (**)										
-----										
		FILTER BLANKET MATERIAL			350	YD3		1	\$11.55 /YD3	\$4,042.50
		RIPEAP MATERIAL			1250	YD3		1	\$25.00 /YD3	\$31,250.00
		(INCLUDES PLACEMENT COSTS)								
-----										
		SUBTOTAL DRAINAGE RESTORATION -								\$35,292.50
-----										
VII. SUBTOTAL FOR ALL ACTIVITIES -										\$201,275
-----										
VIII. 10% MAINTENANCE AND MONITORING COSTS										\$20,127
-----										
IX. 10% CONTINGENCY AND ENGINEERING COSTS										\$22,140
-----										
X. SUBTOTAL IN 1999 DOLLARS										\$243,542
-----										
XI. SUBTOTAL WITH ESCALATION @ 1.93% /YR FOR 5 YEARS (1994 DOLLARS) -										\$267,969
*****										
XII. TOTAL BOND AMOUNT ESTIMATED TO THE NEAREST \$1,000 IN 1992\$ -										\$268,000
*****										

(\*) - EARTHWORK VOLUMES BASED ON REVISED CONTOURS TO MEET ACC REQUIREMENTS  
SEE MASS BALANCE CALCULATIONS

(\*\*) - RIPRAP AND FILTER BLANKET MATERIAL ESTIMATES AREA APPROXIMATE AND  
WILL NEED TO BE REVISED UPON CONFIRMATION OF FINAL RECLAMATION DESIGN.

PAGE 4.

MASS BALANCE CALCULATIONS

STATION	INTERVAL FT	AREAS				VOLUMES					
		CUT1 FT2	FILL1 FT2	CUT2 FT2	FILL2 FT2	CUT1 YD3	FILL YD3	BALANCE 1 YD3	CUT2 YD3	FILL2 YD3	BALANCE 2 YD3
A		0	0	0	0						
	100					0	0	0	0	0	0
E		0	0	0	0						
	100					1102	1620	-519	0	500	-500
C		595	875	0	270						
	100					2167	2343	-176	0	1241	-1241
D		575	390	0	400						
	100					1065	2204	-1139	0	870	-870
E		0	800	0	70						
	100					0	2000	-2000	0	352	-352
F		0	280	0	120						
	100					241	519	-278	28	426	-399
G		130	0	15	110						
	100					1463	0	1463	83	370	-237
H		660	0	30	90						
	100					4130	1491	2639	620	185	435
I		1570	805	305	10						
	100					3630	3000	630	880	74	806
J		390	815	170	30						
	100					1370	1583	-213	889	120	769
K		350	40	310	35						
	100					648	74	574	574	65	509
L		0	0	0	0						
	100					0	0	0	0	0	0
M		0	0	0	0						
SUBTOTALS						15815	14833	981	3074	4204	-1130
						CUT	18889	FILL	19037	BALANCE	-148

NOTE - THE ABOVE VOLUME CALCULATIONS DO NOT INCLUDE SEDIMENT POND EARTHWORK.  
POND EARTHWORK GRADING IS ESTIMATED AT 2310 YD3



# RECLAMATION AGREEMENT

(C O A L)

## CONTENTS:

Reclamation Agreement

Exhibit "A"  
Surface Disturbance

Exhibit "B"  
Bonding Agreement  
Surety Bond  
Collateral Bond

Exhibit "C"  
Liability Insurance

Exhibit "D"  
Stipulation to Revise Reclamation Agreement

Affidavits of Qualification

Power of Attorney

Revised August 1988  
RECLAMATION AGREEMENT

Permit Number \_\_\_\_\_  
Date Permit Issued \_\_\_\_\_  
Effective Date of Agreement \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

COAL RECLAMATION AGREEMENT

--oo00oo--

For the purposes of this RECLAMATION AGREEMENT the terms below are defined as follows:

"PERMIT" (Mine Permit No.) \_\_\_\_\_ (County) \_\_\_\_\_

"MINE" (Name of Mine) \_\_\_\_\_

"OPERATOR" (Company or Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"OPERATOR'S REGISTERED  
AGENT" (Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Phone) \_\_\_\_\_

"COMPANY OFFICERS": \_\_\_\_\_  
\_\_\_\_\_

"BOND TYPE" (Form of Bond) \_\_\_\_\_

"BOND" (Bond Amount-Dollars) \_\_\_\_\_  
(Year-Dollars) \_\_\_\_\_

INSTITUTION \_\_\_\_\_  
POLICY OR ACCOUNT NUMBER \_\_\_\_\_

"LIABILITY INSURANCE" (Exp.) \_\_\_\_\_  
(Insurance Company) \_\_\_\_\_

"STATE": Utah (Department of Natural Resources)

"DIVISION": Division of Oil, Gas and Mining

"DIVISION DIRECTOR" Dianne R. Nielson

EXHIBITS:

		Revision Dates		
"SURFACE DISTURBANCE"	Exhibit "A"	_____	_____	_____
"BONDING AGREEMENT"	Exhibit "B"	_____	_____	_____
"LIABILITY INSURANCE"	Exhibit "C"	_____	_____	_____
"STIPULATION TO CHANGE BOND"	Exhibit "D"	_____	_____	_____

## RECLAMATION AGREEMENT

This RECLAMATION AGREEMENT (hereinafter referred to as "Agreement") is entered into by the Operator.

WHEREAS, on \_\_\_\_\_, 19 \_\_\_\_, the Division approved the Permit Application Package, hereinafter "PAP", submitted by \_\_\_\_\_, hereinafter "Operator"; and

WHEREAS, prior to issuance of a permit to conduct mining and reclamation operations on the property described in the PAP, hereinafter "Property", the Operator is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Operator is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division relating to the reclamation of the Property; and

WHEREAS, the Division is ready and willing to issue the subject a mining and reclamation permit upon acceptance and approval of the bond.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supercede conflicting provisions of this Agreement.

## RECLAMATION AGREEMENT

2. The Operator shall provide a legal description of the property including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the permit period. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Surface Disturbance".
3. The Operator shall provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.
4. The Operator shall maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
5. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
6. The Operator does hereby jointly and severally agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Operator or Operator's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.

## RECLAMATION AGREEMENT

7. The terms and conditions of this Agreement are non-cancellable until such time as the Operator has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules. Notwithstanding the above, the Division may direct, or the Operator may request and the Division may approve, a modification to this Agreement.
8. The Operator may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
9. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D".
10. This Agreement shall be governed and construed in accordance with the laws of the State. The Operator shall be liable for all costs required to comply with this agreement, including any attorney fees.
11. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Operator's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

## RECLAMATION AGREEMENT

12. In the event of forfeiture, the Operator shall be liable for additional costs in excess of the bond amount which are required to comply with this Agreement. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
13. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_

STATE OF UTAH:

\_\_\_\_\_  
Dianne R. Nielson, Director  
Division of Oil, Gas and Mining

OPERATOR:

\_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Company Officer - Position

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "A"  
SURFACE DISTURBANCE  
LEGAL DESCRIPTION

Exhibit "A" - SURFACE DISTURBANCE  
August 1988

Permit Number \_\_\_\_\_  
Effective Date \_\_\_\_\_

SURFACE DISTURBANCE  
--oo00oo--

In accordance with the RECLAMATION AGREEMENT, the OPERATOR intends to conduct coal mining and reclamation activities on or within the surface DISTURBANCE as described hereunder:

Total acres of SURFACE DISTURBANCE \_\_\_\_\_

Legal Description of SURFACE DISTURBANCE:



EXHIBIT "B"  
BONDING AGREEMENT

Surety Bond  
Collateral Bond

EXHIBIT "B"  
SURETY BOND  
(FEDERAL COAL)

August 1988  
Exhibit "B" - BONDING AGREEMENT  
SURETY BOND

Permit Number \_\_\_\_\_  
Expiration Date \_\_\_\_\_

(FEDERAL COAL)  
SURETY BOND  
--oo00oo--

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, and SURETY COMPANY, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and, the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE) in the penal sum of (\$ \_\_\_\_\_) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND shall remain in effect until all applicable rules and the OPERATOR's reclamation obligation have been met and released by the Division of Oil, Gas and Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

August 1988  
Exhibit "B" - BONDING AGREEMENT  
SURETY BOND

So agreed this \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

FOR THE OPERATOR:

\_\_\_\_\_  
Operator (Company)

\_\_\_\_\_  
Company Officer - Position

FOR THE SURETY COMPANY:

\_\_\_\_\_  
Surety (Company)

\_\_\_\_\_  
Company Officer - Position

ACCEPTED BY THE STATE OF UTAH:

\_\_\_\_\_  
Director - Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "B"  
COLLATERAL BOND  
(FEDERAL COAL)

August 1988  
Exhibit "B" - BONDING AGREEMENT  
COLLATERAL BOND

Permit Number \_\_\_\_\_  
Expiration Date \_\_\_\_\_

(FEDERAL COAL)  
COLLATERAL BOND  
--ooOoo--

The OPERATOR has provided a(n) \_\_\_\_\_  
(FORM OF COLLATERAL) issued by \_\_\_\_\_ (INSTITUTION)  
which names the DIVISION as Beneficiary. This collateral, attached as Exhibit  
"B-1", is by this reference incorporated herein, and shall secure the  
RECLAMATION AGREEMENT. This undersigned OPERATOR and INSTITUTION hereby  
jointly and severally bind ourselves, our heirs, administrators, executors,  
successors and assigns unto the State of Utah, Division of Oil, Gas and  
Mining, and, the U.S. Department of Interior, Office of Surface Mining  
Reclamation and Enforcement (OSMRE) in the penal sum of  
(\$ \_\_\_\_\_) (COLLATERAL BOND AMOUNT) for the timely performance  
of reclamation responsibilities of the SURFACE DISTURBANCE described in  
Exhibit "A" of this RECLAMATION AGREEMENT.

Terms for release or adjustment of this COLLATERAL BOND are as written and  
agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT to  
which this COLLATERAL BOND has been attached as Exhibit "B".

If the COLLATERAL hereinabove describes real property, then this bond  
shall be filed as a restrictive covenant, upon said property and shall run  
with the land.

August 1988  
Exhibit "B" - BONDING AGREEMENT  
COLLATERAL BOND

So agreed this \_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

FOR THE OPERATOR:

\_\_\_\_\_  
Operator - (Company)

\_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Company Officer - Position

FOR THE INSTITUTION:

\_\_\_\_\_  
(Bank or Agency)

\_\_\_\_\_  
Officer - Position

ACCEPTED BY THE STATE OF UTAH:

\_\_\_\_\_  
Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "C"  
LIABILITY INSURANCE



August 1988

CERTIFICATE OF LIABILITY INSURANCE

Issued To:  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
--oo00oo--

THIS IS TO CERTIFY THAT:

\_\_\_\_\_  
(Name of Insurance Company)

\_\_\_\_\_  
(Home Office Address of Insurance Company)

HAS ISSUED TO:

\_\_\_\_\_  
(Name of Permit Applicant)

\_\_\_\_\_  
(Mine Name)

\_\_\_\_\_  
(Permit Number)

CERTIFICATE OF INSURANCE:

\_\_\_\_\_  
(Policy Number)

\_\_\_\_\_  
(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per UMC/SMC Part 800.60 Terms and Conditions for Liability Insurance;

- A. The Division shall require the applicant to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.

August 1988  
CERTIFICATE OF LIABILITY INSURANCE

- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.
- C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

\_\_\_\_\_  
(Agent's Name)

\_\_\_\_\_  
(Phone)

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(City, State, Zip Code)

August 1988  
CERTIFICATE OF LIABILITY INSURANCE

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

\_\_\_\_\_  
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_  
(Signature)

My Commission Expires:

\_\_\_\_\_  
(Date)

EXHIBIT "D"  
STIPULATION TO REVISE RECLAMATION  
AGREEMENT

August 1988

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number \_\_\_\_\_  
Expiration Date \_\_\_\_\_

COAL  
STIPULATION TO REVISE RECLAMATION AGREEMENT  
--oo00oo--

This STIPULATION TO REVISE RECLAMATION AGREEMENT entered into by and between the OPERATOR and DIVISION incorporates the following revisions or changes to the RECLAMATION AGREEMENT: (Identify and Describe Revisions Below)

In accordance with this STIPULATION TO REVISE RECLAMATION AGREEMENT, the following Exhibits have been replaced by the OPERATOR and are approved by the DIVISION:

- \_\_\_ Replace the RECLAMATION AGREEMENT in its entirety.
- \_\_\_ Replace Exhibit "A" - SURFACE DISTURBANCE.
- \_\_\_ Replace Exhibit "B" - BONDING AGREEMENT.
- \_\_\_ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$\_\_\_\_\_) to (\$\_\_\_\_\_).

The SURFACE DISTURBANCE is revised from \_\_\_\_\_ acres to \_\_\_\_\_ acres.

The EXPIRATION DATE is revised from \_\_\_\_\_ to \_\_\_\_\_.

August 1988

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

SO AGREED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19 \_\_\_\_.

FOR THE STATE OF UTAH:

\_\_\_\_\_  
Director, Division of Oil, Gas and Mining

FOR THE OPERATOR:

\_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Company Officer - Position

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

AFFIDAVITS OF QUALIFICATION

August 1988

AFFIDAVIT OF QUALIFICATION  
DIRECTOR  
--oo00oo--

I, Dianne R. Nielson, being first duly sworn under oath, deposes and says that she is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that she is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed)

Dianne R. Nielson, Director  
Division of Oil, Gas and Mining

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Notary Public

My Commission Expires:

\_\_\_\_\_, 19\_\_\_\_.

Attest:

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) SS:



August 1988

AFFIDAVIT OF QUALIFICATION  
OPERATOR  
--oo00oo--

I, \_\_\_\_\_, being first duly sworn under oath, deposes  
and says that he/she is the (officer or agent) \_\_\_\_\_  
of \_\_\_\_\_ ; and that he/she is duly  
authorized to execute and deliver the foregoing obligations; and that said  
OPERATOR is authorized to execute the same and has complied in all respects  
with the laws of Utah in reference to commitments, undertakings and  
obligations herein.

(Signed) \_\_\_\_\_  
Name - Position

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_, 19 \_\_\_\_.

Attest:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

August 1988

AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY  
--oo00oo--

I, \_\_\_\_\_, being first duly sworn under oath, deposes  
and says that he/she is the (officer or agent) \_\_\_\_\_  
of \_\_\_\_\_; and that he/she is duly  
authorized to execute and deliver the foregoing obligations; and that said  
SURETY COMPANY is authorized to execute the same and has complied in all  
respects with the laws of Utah in reference to becoming sole surety upon  
bonds, undertakings and obligations herein.

(Signed) \_\_\_\_\_  
Surety Company Officer - Position

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_, 19 \_\_\_\_.

Attest:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

POWER OF ATTORNEY

August 1988

POWER OF ATTORNEY

--000000--

The \_\_\_\_\_ (Corporation), having its principal office in \_\_\_\_\_ (Location), does hereby make, constitute and appoint \_\_\_\_\_ (Attorney[s]), as its true and lawful Attorney(s)-in-fact in their separate capacity, if more than one is named above, to make, execute, sign, seal and deliver for and on its behalf as surety and as its act and deed (without power of redelegation) any and all bonds and undertakings and other writings obligatory in the nature thereof provided in the amount of no one bond or undertaking exceeding \$\_\_\_\_\_.

The execution of such bonds and undertakings shall be as binding upon said \_\_\_\_\_ (Corporation) as fully and to all intents and purposes as if the same had been duly executed and acknowledged by its regularly elected officers.

In Witness Whereof, this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_, 19 \_\_\_\_.

Attest:

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss: